



For Immediate Release

## **NJ BIOTECHNOLOGY INDUSTRY CONTINUES TO GROW; NUMBER OF COMPANIES AND EMPLOYEES INCREASING**

**BioNJ/E&Y Survey Sees 13 Percent Plus Increase in Companies  
9.3 Percent Increase in Employees over 2010 Data**

### **Early-Stage Funding a Continuing Issue**

**TRENTON, NJ** (August 6, 2012) — The biotechnology industry in New Jersey continues to demonstrate vitality, experiencing important increases in both the number of companies operating in the State and the number of employees working for those companies, according to the results of a survey conducted by Ernst & Young on behalf of BioNJ. The survey also confirmed data derived from previous BioNJ surveys which indicate that access to funding remains the primary challenge impacting the growth of early-stage companies.

The number of biotechnology companies with operations in New Jersey increased from more than 300 in a previous BioNJ study in July 2010 to more than 340 today, representing an increase of more than 13 percent, according to the study, *Biotech in New Jersey: Finding Its Way Through Continuing Challenges*.

The number of employees working directly at those New Jersey biotechnology companies also increased, rising 9.3 percent in the last two years, from approximately 15,000 employees in July 2010 to an estimated 16,400 in 2012.

The full report is available at: <http://www.bionj.org/wp-content/uploads/2012/08/1207-1376406-BCNJ-survey-2012-8-1final.pdf>

“We are thrilled to see that the biotechnology industry in New Jersey continues to grow despite the ongoing issues facing the national and international economies,” said Debbie Hart, President of BioNJ. “Keeping with past reports, growth in New Jersey is coming from both within the State in the form of new company formations; spinouts from other companies and our universities; and from companies relocating to New Jersey from other states and other countries, with the latter taking on increasingly more prominence.”

Hart said the growth is the result of several factors that include “access to a variety of life science companies operating in New Jersey, a strong academic environment, an experienced and highly educated workforce and the long-term support of State government, which Governor Chris Christie and Lt. Governor Kim Guadagno and their Administration have built upon through several new initiatives.”

“Today’s good news about the continued growth of New Jersey’s biotechnology industry is not unexpected,” said New Jersey Lt. Governor Kim Guadagno. “Early on, this Administration identified life sciences as a critical driver of the Garden State economy, taking action to increase investment through comprehensive tax reform and enhancing financial incentives for these companies. More than ever, we remain firmly committed to the expansion of the industry to ensure New Jersey’s well-earned reputation for life science excellence.”

### **Study Highlights**

Among the highlights the survey reports:

- The number of jobs increased from approximately 15,000 in 2010 to an estimated 16,400 today, reflecting a 9.3 percent increase in two years. This figure does not include traditional Big Pharma or medical device companies, nor does it account for the thousands of indirect jobs that support and are supported by the industry.
- The number of companies has grown from more than 300 in 2010 to more than 340 today, an increase of more than 13 percent.
- 71 percent of respondents anticipate hiring additional employees in 2012.
- Funding for early-stage research continues to decrease consistent with national trends.
- 46 percent of respondents have operated in New Jersey for 5 years or less, reflecting the attractiveness of New Jersey as a location for biotechnology.
- 37 percent of respondents have been in business for 5 years or less, reflecting ongoing company creation.
- The main area of research is oncology, followed by autoimmune/inflammatory.

- New Jersey's Technology Business Tax Certificate Transfer Program continues to be the most widely accessed of the economic development initiatives offered by the State.

### **Access to Capital Remains Constrained**

Tony Torrington, New Jersey Life Science Leader at Ernst & Young, said that in keeping with national trends, funding for early-stage companies in New Jersey is a “continuing challenge” with most funding flowing into companies with products in the later stages of development.

Torrington said this situation is creating a marketplace of “haves and have-nots” and noted that: “In the capital-constrained realities of biotech, it is obvious that biotech companies with early-stage research will not be able to access the capital required to demonstrate the potential of their technologies and discover new therapeutic discoveries without developing new business models that will support sustainability.”

In keeping with these findings, the report recommends that New Jersey needs to:

(1) Develop new and enhance current economic incentives to attract and retain companies and to help them attract and retain key personnel necessary to breakthrough scientific research; (2) Support companies at each stage of development, including financially supporting the very earliest-stage companies; (3) Reinforce measures to enhance New Jersey's academic environment in an effort to increase its impact on clinical and early-stage research; and (4) Maintain and build the entrepreneurial spirit needed to bring breakthrough science to commercialization – encouraging, facilitating and supporting startups.

### **Why Companies Choose New Jersey**

The experience and strength of New Jersey's workforce, opportunities to work with “Big Pharma” and other life science companies and New Jersey's academic institutions continue to be a strong selling point for New Jersey, with 95 percent of respondents agreeing that there is sufficient managerial and scientific personnel in the State to meet company needs. Although down slightly from previous studies, 71 percent of respondents indicated they plan to hire new employees during 2012.

The majority of respondents also reported that there is sufficient opportunity for strategic collaborations with academic institutions and other laboratories (90 percent) and that the State of New Jersey provides an environment that supports and promotes the industry (73 percent).

### **About BioNJ**

BioNJ is singularly focused on advancing the growth and prosperity of New Jersey's biotechnology cluster through advocacy initiatives directed at State and federal public policy issues and networking and educational programs that bring the community together. Founded in 1994 by New Jersey industry CEOs, the 300-member organization serves as the voice of biotechnology companies located in New Jersey, seeks to promote their economic growth and development and works to encourage new and established companies from around the world to locate to New Jersey. BioNJ represents companies engaged in biopharmaceutical, biomedical, bioagricultural and bioremedial endeavors. To learn more about BioNJ, please visit [www.BioNJ.org](http://www.BioNJ.org).

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most likely to affect the life sciences industry moving into the future. Industry focus means we recruit, train and reward our professionals within the context of industry specialization. We develop technologies and processes that are guided by industry considerations.

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